

## Message Text

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43

ACTION AGR-08

INFO OCT-01 NEA-09 ISO-00 EB-07 COME-00 TRSE-00 FRB-01

OPIC-03 AID-05 RSC-01 /035 W  
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R 091555Z JAN 75

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 2255

C O N F I D E N T I A L BEIRUT 379

FOR AGRICULTURE

PASS BECKER OF CCC

E.O. 11652: GDS

TAGS: EFIN

SUBJECT: FIRST ARABIAN CORP. -- FNCG INTEREST IN INTRA  
INVESTMENT TREASURY SHARES

1. AS IS KNOWN, INTRA INVESTMENT HAS ACCUMMULATED, AS A RESULT OF VARIOUS SETTLEMENTS, INCLUDING PARTIAL SETTLEMENT WITH THE CCC, AN INCREASING NUMBER OF INTRA SHARES, WHICH ARE CALLED TREASURY SHARES. THE VALUE OF THESE SHARES IS ABOUT \$20 MILLION, BASED ON THE NOMINAL VALUE OF EACH SHARE OF LL 25. A DECISION WAS TAKEN IN PRINCIPLE LAST OCTOBER BY THE INTRA BOARD TO DISPOSE OF THESE SHARES AT A MINIMUM PRICE OF LL 32.50 PER SHARE. THIS DECISION TOOK PLACE AT A TIME WHEN SOME INTEREST WAS EXPRESSED BY THE FIRST ARABIAN CORP, HEADED BY THE WELL-KNOWN ROGER TAMRAZ, (FORMERLY OF KIDDER, PEABODY) CONCERNING THE POSSIBILITY OF TAKING OVER THESE SHARES.

2. WE HAVE NOW LEARNED FROM A FNCB REPRESENTATIVE ON A STRICTLY CONFIDENTIAL BASIS THAT FNCB, THROUGH THE LOCAL LIBERAL BANK (RECENTLY PURCHASED BY KUWAITI INTERESTS AND MANAGED BY FNCB, WHICH HAS A 25 PERCENT SHARE), IS SERIOUSLY CONSIDERING PROVIDING A \$20 MILLION LOAN TO ALLOW TAMRAZ AND HIS FIRST ARABIAN TO PURCHASE THE INTRA TREASURY SHARES. UNDER THE PLAN AS PRESENTLY ENVISAGED, THE OUTSTANDING TREASURY SHARES OF INTRA WOULD BE ACQUIRED FOR  
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\$28 MILLION, \$20 MILLION FROM FNCB AND AN \$8 MILLION "PREMIUM"

FROM FUNDS RAISED BY FIRST ARABIAN, WITH TAMRAZ AND FIRST ARABIAN TAKING OVER MANAGERIAL CONTROL. TAMRAZ, AS WILL BE RECALLED, WAS CLOSELY INVOLVED IN THE REORGANIZATION OF INTRA AFTER IT COLLAPSED AND, UNTIL RECENTLY, HAD SERVED AS A CONSULTANT.

3. FNCB HAS MADE NO FINAL DECISION. MOREOVER, ANY FIRM OFFER WOULD REQUIRE INTRA BOARD APPROVAL, AND THE REACTION OF LEBANESE INTERESTS ON THE BOARD IS SOMEWHAT DIFFICULT TO DETERMINE, PARTICULARLY IF MANAGERIAL RESPONSIBILITIES WERE EFFECTIVELY REMOVED FROM THE CURRENT BOARD CHAIRMAN, LUCIEN DAHDAH, WHO IS VERY CLOSE TO LEBANON'S PRESIDENT FRANGIE. THE WHOLE PROJECT THEREFORE IS FAR FROM BEING FORMALIZED.

4. IT IS WORTH NOTING THAT THE PROPOSED DEAL IS ALSO OF INTEREST FROM ANOTHER POINT OF VIEW IN THAT THE SHARE PRICE MENTIONED FOR PURCHASE OF THE TREASURY SHARES WOULD BE IN LINE WITH WHAT WE ARE ASKING FOR OUR OWN OUTSTANDING CCC SHARES.  
GODLEY

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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